

**FY23
COMPENSATION BOARD
BUDGET HEARING**

**June 21, 2022
Richmond, VA**

10:00 a.m.

**Jeffrey Palmore, Chairman
Staci Henshaw, Ex-officio Member
Craig Burns, Ex-officio Member**

COMPENSATION BOARD FY23 BUDGET PRIORITIES

The Compensation Board develops priorities each year to be used in establishing the budgets for all Constitutional Officers. To begin the budgeting process, the Compensation Board applies its general priorities in establishing a base funding level for each office, considering annual budget requests of constitutional officers and General Assembly actions, prior to determining individual budget amounts. These general priorities include:

- ◆ Level funding of existing base budgets for personnel, including salaries for permanent positions, fringe benefits, hourly-wage/temporary funding and office expense funding.
- ◆ Continued funding for existing participants in career development programs.
- ◆ Allocation of any positions and funding established through legislative actions.
- ◆ Salary adjustments for Constitutional Officers changing population groups.
- ◆ Reclassifications where there is no salary cost.
- ◆ Allocation of positions based on the position reallocation policy.
- ◆ No funding is available for equipment for any offices. For local and regional jails, LIVESCAN equipment funding previously considered during the budget allocation process for will be considered on an individual request basis at regularly scheduled Board Meetings (Clerks' Technology Trust Funds are not a part of base budget funds and budgeted separately beginning in the late summer).

COMPENSATION BOARD FY23 LEGISLATIVE ISSUES SHERIFFS AND REGIONAL JAILS

HB5148/SB5034 (2020 Special Session I):

HB5148/SB5034 of the 2020 Special Session I of the General Assembly establishes a four-level classification system for the awarding and calculation of earned sentence credits, effective July 1, 2022. The bill also specifies certain crimes that are subject to the maximum 4.5 earned sentence credits for each 30 days served that is permitted under current law. This legislation requires the calculation of earned sentence credits to apply retroactively to the entire sentence of any inmate who is confined in a state correctional facility and participating in the earned sentence credit system on July 1, 2022. **2022 Special Session I Update:** Governor Youngkin introduced and the General Assembly approved on June 17, 2022, a budget amendment providing that a maximum of 4.5 earned sentence credits may be earned for each 30 days served on a sentence that is concurrent with or consecutive to a sentence for a conviction of an offense enumerated in subsection A of § [53.1-202.3](#), Code of Virginia, such that any inmate who has a disqualifying offense will not receive the enhanced earned sentence credits on that offense or any other offense served concurrently or consecutively with the disqualifying offense.

HB1053/SB581:

HB1053/SB581 Directs the State Board of Local and Regional Jails to convene a work group to review and make recommendations regarding the reduction or elimination of costs and fees charged to inmates in local or regional correctional facilities, including fees related to the costs of an inmate's keep, work release, or participation in educational or rehabilitative programs; telephone services; commissaries; and electronic visitation systems. The bill requires the Board to report its findings and recommendations to the Chairmen of the House Committee on Public Safety and the Senate Committee on Rehabilitation and Social Services by December 1, 2022.

**COMPENSATION BOARD
FY23 LEGISLATIVE ISSUES
SHERIFFS AND REGIONAL JAILS**

SB202:

SB202 Directs the Secretary of Health and Human Resources, together with the Secretary of Public Safety and Homeland Security, to study options to increase the use of alternative custody arrangements for individuals who are subject to an emergency custody or temporary detention order and to report his findings and recommendations to the Governor and the Chairmen of the House Committees on Appropriations and Health, Welfare and Institutions and the Senate Committees on Education and Health and Finance and Appropriations by October 1, 2022.

HB748/SB150:

HB748/SB150 Replaces certain references in the Code to the Local Inmate Data System with references to the Department of Forensic Science (DFS) DNA data bank sample tracking system. The DFS is establishing a new automated system for the collection and tracking of DNA data bank samples, to be implemented soon after July 1, 2022. The Compensation Board will continue to operate the LIDS DNA Tracking System under agreement with DFS until DFS is prepared to take over administration under its new system, shortly following July 1, 2022.

**COMPENSATION BOARD
FY23 LEGISLATIVE ISSUES
ALL OFFICES**

HB173/SB85:

HB173/SB85 Requires approval from the City of Martinsville voters before the city can revert to town status. The bill has an expiration date of July 1, 2026.

SB221:

SB221 Permits the clerk of the Rockingham County Circuit Court to establish a pilot project for an index of wills lodged for safekeeping, with a searchable database available to the public.

HB226:

HB226 Clarifies the procedure by which a taxpayer aggrieved by any local tax assessment may seek relief by providing that (i) the necessary parties in such a proceeding shall be the taxpayer and the locality; (ii) the taxpayer may show that the property was assessed at more or less than its fair market value; and (iii) the county or city attorney or, if none, the attorney for the Commonwealth shall defend the locality in any such proceeding.

COMPENSATION BOARD FY23 SPECIFIC BUDGET ISSUES ALL OFFICES

Salary Increases:

Funding is included to support a 5% across-the-board salary increase effective August 1, 2022, for all constitutional officers, regional jails and their employees, except 2.5% across-the-board for any position receiving a targeted salary of 7.5% or more, provided that the governing authority of such employees uses such funds to support salary increases.

Based upon the passage of **SB7/HB395** (2020) related to an increase in the minimum wage, the 2020 and 2021 General Assemblies included funding to increase the minimum wage from \$11/hour to \$12/hour effective January 1, 2023. The current minimum salary on the Compensation Board's classification and pay plan equates to \$11.06, and the minimum salary after the 5% across-the-board salary increase on August 1, 2022 will equate to \$11.62/hour. Positions funded at these salary minimums will be increased on January 1, 2023 to the salary equivalent of \$12/hour, or \$24,960; any position that is currently underfunded due to prior budget reductions will also be affected by this language.

Based on 2021 population estimates provided by the Weldon Cooper Center for Public Service, Prince George County has met a locality population-based threshold of 40,000, York County has met a locality population based threshold of 70,000 and the City of Chesapeake has met the locality population-based threshold of 250,000. As a result, the salaries of all constitutional officers serving Chesapeake, all except the Commonwealth's Attorney serving Prince George County, and the Treasurer and Commissioner of the Revenue serving York County have been adjusted to reflect an increase effective July 1, 2022, based on authorizing language contained in the 2022 General Assembly Special Session I HB30 as enrolled.

COMPENSATION BOARD FY23 SPECIFIC BUDGET ISSUES ALL OFFICES

New Positions:

With the exception of additional funding and positions to provide new behavioral health case manager positions and partially-funded medical and treatment positions to be allocated to local and regional jails according to Compensation Board staffing standards, no additional new positions have been provided to address staffing standards or jail overcrowding in FY23.

Career Development Programs:

The 2022 General Assembly approved additional funding to support further participation in existing career development programs in FY23 based on the unfunded qualified participation requested as of the FY22 budget request process. Salary increases for newly funded participation in FY23 will be approved where new and accrued funding through attrition of former funded participants exists.

Premium Recoveries:

In FY23, The Compensation Board will recover:

- 100% of the cost of premiums paid on behalf of constitutional officers, regional jails, and their employees to the Division of Risk Management (DRM) for the VARISK general liability insurance and surety bond coverage;
- 100% of the unfunded portion of the premium paid to the Virginia Retirement System (VRS) for the retiree health care credit (the unfunded portion represents 39.7% of the total projected premiums to be paid by the Compensation Board);
- \$80,000 from sheriffs and regional jails to support jail risk management training.

COMPENSATION BOARD FY23 SPECIFIC BUDGET ISSUES ALL OFFICES

Premium Recoveries (cont):

Since FY17, budget language requires the Division of Risk Management (DRM) to identify premium amounts by office, incorporating factors such as claims history, staffing, and average daily jail populations into the methodology for the distribution of premium recovery amounts by office, which can result in significant shifts of cost among offices from year to year. In FY23, the total VARISK general liability premium will remain unchanged at the FY22 level; however, every office's proportion of the total will change somewhat in FY23 based upon these factors; some offices will see an increase, while other offices will see a decrease in their premium amounts.

Salary Increase Non-Supplanting Language:

Language preventing local governments from using Compensation Board funding to supplant local funds provided for salary increases of constitutional officers and their employees on July 1, 2012, under the provisions of Chapter 822, 2012 Acts of Assembly, remains unchanged.

In accordance with the provisions of SB497 from the 2012 Session of the General Assembly (aka Chapter 822, 2012 Acts of Assembly), localities provided a 5% salary increase (unless phasing in) on July 1, 2012 to constitutional officers and their employees to offset the transition of the payment of the 5% member contribution to VRS for retirement premiums from the locality to the employee. Any Compensation Board salary increase funds cannot be used to offset the 5% salary increase amount (or phase-in amount) funded by the locality in association with this VRS contribution change.

This language regarding non-supplanting of local funds does not apply to any salary supplement amounts provided by localities that exceed the 5% increase related to the VRS member contribution amount, nor does it apply to employees hired into a Compensation Board funded position after July 1, 2012 (or after July 1, 2010 if locality implemented phase I and phase 2 programs at that time).

COMPENSATION BOARD FY23 SPECIFIC BUDGET ISSUES SHERIFFS AND REGIONAL JAILS

Salary Increases:

Funding is provided to support increasing the entry-level salary of sworn deputy sheriffs and regional jail officers to \$42,000 (including increases to the new minimum for positions currently budgeted below that level), effective August 1, 2022, prior to implementing the previously noted across-the-board salary increase also effective August 1, 2022.

Any sworn position that receives this targeted increase and it equates to 7.5% or more above their current salary, shall receive a 2.5% increase on August 1, 2022, as opposed to the 5% across-the-board increase, applied after their initial targeted increase. All other staff and the Elected Sheriff will receive the previously noted 5% across-the-board increase.

Funding is also provided to support salary compression increases for sworn deputy sheriffs and regional jail officers of \$100 per year of service for incumbents that have served in a Compensation Board funded position for a minimum of three years of service, up to a maximum of thirty years of service, effective August 1, 2022, that will be implemented after targeted and across-the-board increases.

New Positions:

Funding to provide 125 new behavioral health case manager positions across every local and regional jail in the Commonwealth, as well as 127 partially-funded medical and treatment positions in each year to be allocated according to Compensation Board staffing standards, effective August 1, 2022. Positions will be phased in, with 50% funded August 1, 2022, and 50% funded January 1, 2023.

Bristol City Jail Closure:

The Bristol City Jail will close July 1, 2022, as the City joins the Southwest Virginia Regional Jail. All corrections positions will be removed and the salary of the Sheriff will be adjusted based on the decrease in responsibility.

**COMPENSATION BOARD
FY23 SPECIFIC BUDGET ISSUES
SHERIFFS AND REGIONAL JAILS**

**Reallocation of Emergency
Corrections Positions:**

Based on a significant and sustained reduction in jail populations, corrections staffing standards for jail overcrowding, as well as the Bristol City Jail closure, a total of 65 emergency corrections positions will be removed and reallocated in FY23. Four of these positions are unfunded and cannot be reallocated, leaving a total of 61 positions to be reallocated to jails experiencing overcrowding of inmate populations.

**Positions for New or
Expanded Jail Capacity:**

No new jail construction projects are currently anticipated for completion in fiscal year 2023.

COMPENSATION BOARD FY23 SPECIFIC BUDGET ISSUES SHERIFFS AND REGIONAL JAILS

Jail Per Diem Payments:

Based on current projections of inmate population levels and language and funding to support increasing the daily per diem rate for state responsible inmates in local and regional jails from \$12/day to \$15/day beginning July 1, 2022, FY23 funding of \$49.78 million was included in the 2022 General Assembly Special Session I Conference Report for inmate per diem payments. Localities and jails should note that the state responsible per diem rate change, effective beginning with inmate populations incarcerated on July 1, 2022, will impact quarterly per diem payments beginning with the 2nd quarter payment in FY23 (with an increase for 2 of the 3 months included in the quarterly payment).

Language in the Appropriation Act provides that should funds available for a quarterly per diem payment be insufficient to cover the entire amount of the payment, the payment will be pro-rated accordingly.

Any revisions to funding needed associated with inmate population levels for FY23 will be determined based on updated population forecasting during the fall 2022 budget development process and considered during the 2023 General Assembly session.

Federal Overhead Cost Recovery:

The methodology for recovery of the costs borne by the Commonwealth associated with the housing of federal inmates in local and regional jails (excluding construction costs) remains unchanged in FY23.

However, language and funding has been approved by the 2022 General Assembly to expand the federal overhead exemption for the Western Tidewater Regional Jail from the current partial exemption of the first 76 federal inmates per day to also include any number of federal inmates per day above 130, which limits the federal overhead recovery to apply to a maximum of 54 federal inmates per day for this jail.

COMPENSATION BOARD FY23 SPECIFIC BUDGET ISSUES SHERIFFS AND REGIONAL JAILS

Nottoway County Funding For Offenders from Virginia Center For Behavioral Rehabilitation:

Beginning with FY17, the General Assembly has approved funding of \$100,000 in each year to reimburse Nottoway County for incurred costs of confinement of residents of the Virginia Center for Behavioral Rehabilitation arrested for new offenses and housed in Piedmont Regional Jail. Funding of up to \$215,939 in FY23 and FY24 was approved in 2022 General Assembly to reimburse actual expenses incurred. Budget language provides for the reimbursement timeline and necessary demonstration of costs incurred for the Compensation Board to reimburse the County.

Withholding of Reimbursements: Since July 1, 2016, the Compensation Board has been authorized to withhold reimbursements due the locality for sheriff and jail expenses if the sheriff fails to self-certify their compliance with information transmittal requirements to the Sex Offender and Crimes Against Minors Registry of the Virginia State Police.

Since July 1, 2007, the Compensation Board has been authorized to withhold reimbursements due the locality for sheriff and jail expenses upon notification from the Superintendent of State Police that there is reason to believe that crime data reported by a locality to the Department of State Police in accordance with § 52-28, Code of Virginia, is missing, incomplete or incorrect.

Upon subsequent notification by the Superintendent that crime reporting data is submitted accurately and/or timely, or upon certification by the sheriff that information transmittals are meeting requirements, the Compensation Board shall make reimbursement of withheld funding due the locality, when such corrections and/or certifications are made within the same fiscal year that funds have been withheld. The Board will review and act upon late data reporting as notified by the Department of State Police on a quarterly and/or annual basis and upon failures to certify compliance with information transmittal requirements on an annual basis.

COMPENSATION BOARD FY23 SPECIFIC BUDGET ISSUES COMMONWEALTH'S ATTORNEYS

Insurance Fraud Prosecutors: Based on action during the 2017 and 2018 General Assembly sessions, a non-general fund appropriation of \$600,000 and five positions in each year of the biennium from the Virginia State Police Insurance Fraud Fund is provided to allocate and fund multi-jurisdictional Assistant Commonwealth's Attorney positions to prosecute insurance fraud. Allocation of these positions is contingent upon Virginia State Police identification of localities and local agreement to participate in the prosecution of these activities. Currently four of the five additional Assistant Commonwealth's Attorney positions have been allocated in accordance with the recommendations of the Virginia State Police; at this time the fifth position is not recommended for allocation in FY23.

**Workload Study for Revising
Staffing Standards:**

The 2021 General Assembly approved language and funding in FY22 for the Compensation Board to contract with the National Center for State Courts to assist the Compensation Board and the Virginia Association of Commonwealth's Attorneys with an encompassing study of Commonwealth's Attorney workload (to include diversion programs, specialty dockets, etc), in order to revise staffing standards formulas used as the basis for the allocation of positions and funding in Commonwealth's Attorneys' offices. This project is underway and has included a time-study of work in every Commonwealth's Attorney's office, requiring cooperation and participation by all offices. Work began in the summer of 2021, a summary of the plans was submitted in November, 2021, and a final report on the completion of the study is due in November, 2022.

COMPENSATION BOARD FY23 SPECIFIC BUDGET ISSUES CIRCUIT COURT CLERKS

Salary Increases:

The 2022 General Assembly has approved funding to increase the salaries of all Circuit Court Clerks and their Compensation Board funded staff positions by \$1,250 effective August 1, 2022. Applied after the 5% across-the-board increase provided for all constitutional officers and their employees noted previously, the new entry-level salary for staff in Circuit Court Clerks' offices will be \$35,053, effective August 1, 2022.

Circuit Court Clerks' Foreclosure Pilot:

Language approved by the 2019 General Assembly and \$75,000 in funding is continued for the Williamsburg/James City County Circuit Court Clerk's office to conduct a pilot program to provide an online listing of foreclosures, continued courthouse posting of foreclosures, and to provide notice of foreclosures to the local newspaper for a limited period of time.

**COMPENSATION BOARD
FY23 SPECIFIC BUDGET ISSUES
CIRCUIT COURT CLERKS,
TREASURERS & COMMISSIONERS OF THE REVENUE**

**Circuit Court Clerks'
Technology Trust Funds:**

Beginning with FY11, the General Assembly approved a line of credit in the amount of \$8 million each year for budgeting Technology Trust Fund cash in the year in which it is collected. Amounts available for budgeting each fall are based upon any unspent collections from prior years and a projection of incoming cash for the current year, which may be more or less than the maximum \$8 million level. Reimbursements for expenses incurred cannot exceed actual cash collected during the budget year.

Language providing for the use of Technology Trust Funds (TTF) to offset previous general fund budget reductions has been eliminated and general fund support of \$0.98 million has been provided to support Clerks' operating budgets, eliminating the non-general fund transfer of TTF collections in FY23 for this purpose.

**Salary Fund Restoration
For Underfunded and Unfunded
Positions, Treasurers and
Commissioners:**

Salary restoration funding for staff positions in Treasurers' offices has been approved by the 2022 General Assembly to re-fund the difference between the current and entry-level salaries of all underfunded positions, effective July 1, 2022.

Salary restoration funding for staff positions in Commissioners of the Revenue offices has been approved by the 2022 General Assembly to restore funding to approximately 33% of positions that are currently wholly unfunded, effective July 1, 2022.

COMPENSATION BOARD FY23 REIMBURSEMENT POLICIES FUNDING LEVELS

OFFICER SALARIES

**Sheriffs/Regional Jails,
Commonwealth's Attorneys,
and Clerks:**

100% of Appropriation Act amount.

**Treasurers and
Commissioners:**

50% of 1980 salary amount plus 100%
of all increases to Appropriation Act amount.

OFFICER BENEFITS

**Sheriffs/Regional Jails and
Commonwealth's Attorneys:**

FICA at 7.65% and VRS retirement at actual rate, not
to exceed 2.13%, paid on 100% of approved salary
amounts. Contributions for VRS Group Life Insurance
will be required in FY23, and reimbursement will be
made at 0.28%.

Clerks:

Benefit rates as stated above, paid on two-thirds of
approved salary amounts.

**Treasurers and
Commissioners:**

Benefit rates as stated above, paid at same
percentage level as officer's salary.

FULL-TIME PERMANENT STAFF SALARIES & TEMPORARY (HOURLY/WAGE) STAFF SALARIES

**Sheriffs/Regional Jails*,
Commonwealth's Attorneys,
and Clerks:**

100% of Compensation Board approved amount.

**Treasurers and
Commissioners:**

50% of Compensation Board approved amount.

*Exception: Reimbursement amounts for Medical, Treatment, Classification, and
Records positions in Sheriffs' offices and regional jails represent 2/3rds of the total salary
approved by the Compensation Board.

COMPENSATION BOARD FY23 REIMBURSEMENT POLICIES FUNDING LEVELS

FULL-TIME PERMANENT STAFF BENEFITS & TEMPORARY (HOURLY-WAGE) STAFF BENEFITS

**Sheriffs/Regional Jails
and Commonwealth's
Attorneys:**

FICA at 7.65% for full-time staff and hourly staff, and VRS retirement at actual rate, not to exceed 2.13% for permanent staff positions only, paid on 100% of approved salary amounts. Contributions for VRS Group Life Insurance will be required in FY23, and reimbursement will be made at 0.28%.

Clerks:

Benefit rates as stated above, paid on two-thirds of approved salary amounts.

**Treasurers and
Commissioners:**

Benefit rates as stated above, paid on one-half of approved salary amounts.

OFFICE EXPENSES

**Sheriffs/Regional Jails,
Commonwealth's Attorney's,
And Clerks:**

100% of Compensation Board approved amount.

**Treasurers and
Commissioners:**

50% of Compensation Board
approved amount.

COMPENSATION BOARD FY23 REIMBURSEMENT POLICIES FUNDING LEVELS

EQUIPMENT

Sheriffs/Regional Jails:

No funding is provided in FY23 for equipment.

Funding previously considered during the budget allocation process for LIVESCAN equipment is now considered on an individual request basis at regularly scheduled Board Meetings.

**Commonwealth's Attorneys,
Treasurers and
Commissioners:**

No funding is provided in FY23 for equipment.

Clerks:

Clerks' technology funding requests will be considered by the Compensation Board at its September 2022 Board Meeting after on-line budget requests are submitted in August. A stress factor will not be applied. An estimate of fiscal year 2023 technology trust funds has been provided on the Compensation Board website to assist in automation planning for the upcoming fiscal year.

Based on language approved by the 2010 General Assembly, a line of credit of up to \$8 million will allow the Compensation Board to budget incoming collections in FY23.

Budget language that previously allowed for up to \$0.98 million in non-general technology trust funds to be used in each year to offset a like amount of general fund operating budget reductions has been eliminated in FY23 and \$0.98 million in general fund support for Clerks' operating budgets has been included in the 2022 Conference Report, that eliminates the need for the transfer.

COMPENSATION BOARD FY23 REIMBURSEMENT POLICIES FUNDING LEVELS

MEETING AND CONFERENCE EXPENSES

All Officers:

We anticipate continuing to offer programs in FY23 for new officers and lawful employment practices. Reimbursement will continue to be provided for expenses related to attendance at these training programs. Training will also be provided on a monthly basis for COIN (reimbursement and personnel processing system) and LIDS (Local Inmate Data System – per diems). No other funding is available for reimbursement of attendance at non-Compensation Board sponsored training events, although associated expenses may be reimbursed through existing office expense budgets.

SUBSTITUTE PROSECUTOR EXPENSES

Commonwealth's Attorneys Only:

Direct reimbursement of travel expenses is provided to all Commonwealth's Attorneys and assistant Commonwealth's Attorneys not requesting hourly rate reimbursement.

Reimbursement of hourly rate fees, not to exceed \$50 per hour, plus expenses, only provided for "part time" Commonwealth's Attorneys or assistants.

EXCEPTION TO TREASURERS' FUNDING LEVELS

100% of all Compensation Board approved expenses are reimbursed for Treasurers in the cities of Colonial Heights, Lynchburg, and Richmond. Two-thirds of all Compensation Board approved salary and office expenses are reimbursed for Treasurers in the cities of Danville, Petersburg, and Williamsburg.

COMPENSATION BOARD FY23 REIMBURSEMENT POLICIES FUNDING LEVELS

JAIL PER DIEM PAYMENTS

Per Diem Payments:

The funding rate established to compensate localities for the costs of housing local responsible inmates remains unchanged in FY23; however, the funding rate to compensate localities for the costs of housing state responsible inmates will increase from \$12 to \$15 beginning July 1, 2022. The per diem rates for offenders that are arrested on a state warrant are, as required by law: \$4 for local responsible inmates housed in a local or regional jail, and \$18 for such inmates housed in a jail farm; \$12 for all state responsible inmates housed in all jail facilities through June 30, 2022, then increase to \$15 for state responsible inmates housed effective July 1, 2022 and later.

Federal Overhead Recovery:

Language is included in the Appropriation Act for the recovery of the federal and out-of-state share of all state-funded costs including personnel, non-personnel (excluding construction costs), vehicle expenses, and grants, based upon the number of federal and out-of-state inmates housed in jail on a per day basis. The Compensation Board determines the overhead recovery amount based upon the per day state revenues provided in the most recent available Jail Cost Report, and will deduct it from the quarterly per diem payment for state and local inmates. Jails that are not owed sufficient quarterly per diem amounts against which to recover the overhead amount will be required to submit a payment to the Compensation Board in the amount that the overhead cost exceeds the per diem payment amount.

Emergency Medical Expenses:

The Compensation Board may reimburse localities for costs of emergency medical care incurred outside the jail for state responsible inmates overdue for transfer to the Department of Corrections, not to exceed \$377,010 per year statewide. The Compensation Board approves and reimburses in November and May of each fiscal year expenses incurred in the previous six months.